



United States
Department
of Agriculture

OCS-07h

Sept 13, 2007



A Report from the Economic Research Service

www.ers.usda.gov

Oil Crops Outlook

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Impact of a Lower U.S. Soybean Supply To Be Magnified by Rising Domestic Use

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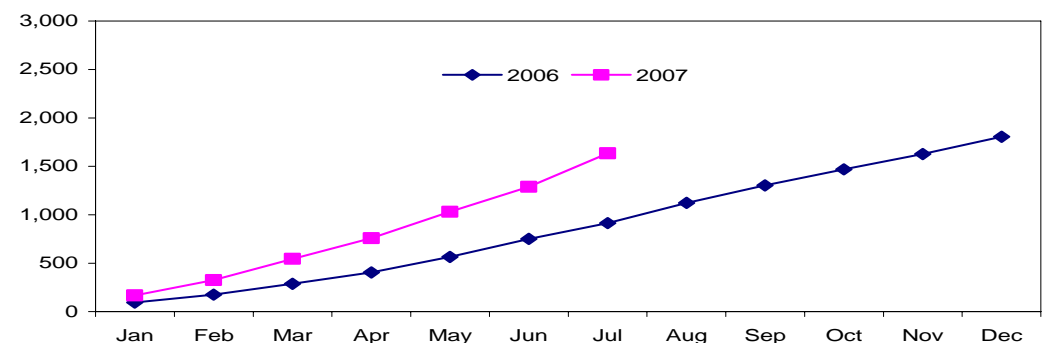
The U.S. Department of Agriculture (USDA) estimates that the 2007 U.S. average soybean yield will slip to 41.4 bushels per acre from 41.5 bushels estimated previously. Brisk consumption for both soybean oil and soybean meal is fueling growth in soybean crushing, which is forecast rising for 2007/08 to 1.825 billion bushels. However, a decline in soybean supply and solid growth in domestic demand will curtail exports, which could plummet to 975 million bushels from 1.115 billion in 2006/07. A likely steep decline in soybean ending stocks from 555 million to 215 million bushels is strengthening the 2007/08 average farm price, which USDA projects at \$7.35-\$8.35 per bushel.

EU-27 imports of soybean meal could surge in 2007/08 (expanding to 24.6 million tons from 22.6 million in 2006/07) due to considerably smaller domestic supplies of wheat and coarse grains. EU-27 imports of soybeans are also forecast increasing to 15.7 million tons in 2007/08 from 15 million in 2006/07.

Figure 1

Cumulative consumption of soybean oil for biodiesel is growing rapidly

Million pounds



Source: *Fats and Oils: Consumption, Production, and Stocks*, Census Bureau

Domestic Outlook

August Rains Favor Soybean Development in the Midwest

For the southern half of the country, soybean crop conditions continued to deteriorate during August due to a lack of rain. The greatest weather-related reductions in soybean yields this year are expected for Kentucky, Tennessee, North Carolina, and South Carolina.

In mid-August, a series of heavy rainstorms passed through the northern Midwest. Although these flooded a few soybean fields in low-lying areas, for most of the recipient areas the moisture was timely and beneficial. Yield improvement was indicated this month for Minnesota, South Dakota, Nebraska, North Dakota, and Iowa. While the recent moisture likely stabilized the condition of soybeans, prior dryness precluded better yields this year in Indiana, Michigan, Wisconsin, and southern Illinois. For the country as a whole, USDA estimated that the 2007 U.S. average soybean yield will slip to 41.4 bushels per acre from 41.5 bushels estimated in August. U.S. soybean production for 2007 is forecast down 6 million bushels from last month to 2.619 billion bushels. When the 2007 crop is combined with a lower estimate of beginning stocks (555 million bushels), the estimate of 2007/08 total supply declined 25 million bushels this month to 3.18 billion bushels.

Biodiesel Demand Drives Domestic Soybean Use Higher

The 2006/07 soybean crush through July 2007 was a record-large 1.66 billion bushels. Even a moderate crush pace for August should raise crop-year use by domestic processors to a minimum of 1.805 billion bushels (up 10 million from the previous forecast). For 2007/08, soybean crushing is expected to rise to 1.825 billion bushels. Brisk consumption for both soybean oil and soybean meal is fueling the growth in crushing.

Despite very high domestic output of soybean oil in July, month-ending stocks fell abruptly by 139 million pounds to 3.221 billion pounds. In July, demand for soybean oil eclipsed all previous monthly totals, as both domestic use and exports were robust. Domestic disappearance of soybean oil for 2006/07 was forecast 450 million pounds higher this month to 19.05 billion pounds. The biodiesel industry has been responsible for all the growth this year in domestic use of soybean oil. Demand for soybean oil accelerated this summer when new biodiesel plants escalated operations. Use of soybean oil for biodiesel is forecast up to 2.85 billion pounds in 2006/07--compared with 1.555 billion in 2005/06.

The pace of U.S. soybean oil exports has also quickened this summer, particularly to North Africa and Latin America. North African imports are attributable to declining availability of sunflowerseed oil there. USDA raised the September forecast of 2006/07 exports of soybean oil from 1.65 billion to 1.85 billion pounds. For now, the large U.S. oil stocks can accommodate the demand. The trends in domestic and foreign demand should continue to draw down oil inventories through September, when 2006/07 ending stocks are forecast to be 2.55 billion pounds.

Although biodiesel demand is likely to slow in 2007/08, that sector is still projected to expand soybean oil use by 40 percent to 4 billion pounds. If realized, biodiesel would account for 20 percent of all the soybean oil consumed. However, most of

the biodiesel fuel is being shipped to foreign markets (particularly Europe). U.S. food demand for soybean oil should exhibit a modest increase in 2007/08, aided by a contraction in domestic supplies of sunflowerseed oil and cottonseed oil. A healthy 6.6-percent increase for all uses of soybean oil (to 20.3 billion pounds) is forecast for 2007/08.

In contrast, tightening supplies, rising prices, and Argentine competition should eventually slow U.S. soybean oil exports, with 2007/08 exports expected to drop by 30 percent to 1.3 billion pounds. Even with a rationing of exports, 2007/08 ending stocks of soybean oil may plunge by one-third to 1.735 billion pounds due to a reduction in supply and considerably stronger domestic use. Intensifying competition for the shrinking supplies of soybean oil will spur further price gains, which are already at a historic peak. The average price for 2007/08 is forecast at 33-37 cents per pound, up from 31 cents in 2006/07 and 1 cent higher than last month's forecast range.

Current demand for soybean meal is also proving to be surprisingly firm. The USDA forecast of 2006/07 domestic disappearance was edged up by 200,000 tons this month to 34.35 million short tons. The swine industry is contributing much of the market support for protein feed. Strong pork demand this year has supported a high price for hogs, allowing hog producers to bear the high feed costs and raise the animals to larger than expected weights. Another factor this summer has been the powerful rally in wheat prices. Based on a tightening global supply, wheat prices have surged toward all-time highs, discouraging its use as livestock feed. As a result, there is more demand for soybean meal to replace the protein lost when substituting other lower-protein grains for wheat.

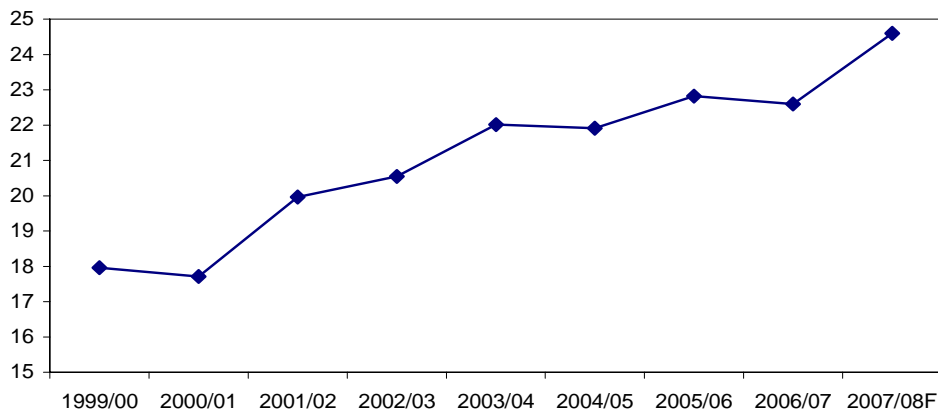
For 2007/08, gains in hog feeding may be more modest, but domestic demand for soybean meal should be reinforced by a recovering poultry industry. Poultry output is expected to rebound 2 percent in 2008, after negligible growth this year. Soybean meal use is forecast rising by 2.8 percent in 2007/08 to 35.3 million short tons. Given strengthening foreign competition, the domestic growth may trim the amount available for soybean meal exports, which are forecast down to 8.25 million tons for 2007/08, compared with 8.6 million for 2006/07. A firming of soybean meal prices will continue, with the 2007/08 average at \$205-\$235 per short ton versus \$205 for the current marketing year.

While U.S. exports of soybeans in 2006/07 have likely reached a record high 1.115 billion bushels, trade prospects for 2007/08 do not look as bright. A decline in soybean supply and solid growth in domestic demand will curtail exports, which could plummet to 975 million bushels. Yet, by the end of the crop year, soybean stocks could fall to a small cushion of 215 million bushels. The climb in soybean prices reflects this rebalancing between supply and demand. For now, this year's comfortably large corn crop is exerting a stabilizing influence on soybean values. USDA projects the 2007/08 average farm price at \$7.35-\$8.35 per bushel, up from last month's forecast at \$7.25-\$8.25 per bushel.

Figure 2

Quickening rate of EU-27 soybean meal imports is anticipated

Million metric tons



Source: *Oilseeds: World Markets and Trade*, Foreign Agricultural Service, USDA

Despite Falling Domestic Supply, China's Import Demand for Soybeans Slows

Much of northeastern China, where the majority of the country's soybean crop is grown, is suffering through the worst drought in many years. Since April, it has been drier than normal in the top soybean producing Province of Heilongjiang, and precipitation for July was about 50 percent below average. The likely impact on soybean yields cut the 2007 domestic production forecast this month to 15.2 million tons from 15.6 million previously. China's soybean production this year was already anticipated to fall below the 2006 crop (16.2 million tons) because of a 5-percent decline in sown area.

Although the domestic supply of soybeans in China is seen tightening, demand has been tempered by weaker feed use in the hog sector. China's October 2006-June 2007 soybean imports have slightly trailed the previous year's pace. A small chance for imports to accelerate over the next few months led USDA to reduce the 2006/07 forecast from 30 million to 28.75 million tons. A lower projection for 2007/08 soybean imports (by 1 million tons to 33.5 million) reflects the time lag involved in restocking the country's inordinately low swine herd. Domestic consumption of soybean meal is now seen down slightly in 2006/07 to 27.7 million tons. For 2007/08, a recovery of soybean meal use in China is expected, gaining 9 percent to 30.2 million tons.

A lowering of the expected soybean crush in 2006/07 and 2007/08, along with a smaller rapeseed harvest this year, keeps a tight supply for vegetable oils in China. Imports of soybean oil were forecast higher (to 2 million tons in 2006/07 and 2.25 million for 2007/08) to help offset potentially weaker growth in domestic output. Even so, the growth in China's vegetable oil consumption is expected to slow to 3.5 percent in 2007/08, compared with 6.5 percent in 2006/07.

Weather Extremes Curtail Oilseed Production in Europe, Ukraine, and Russia

The forecast of 2007 global rapeseed production was reduced 1.4 million tons this month to 49.65 million metric tons due to lower prospects for the EU-27 and Canada. Throughout northern Europe, a record warm spring advanced the maturity of rapeseed crops. But excessive heat during the flowering period (like the hot spell of April 2007) may cause serious yield losses for rapeseed. In addition, an early May episode of freezing temperatures (across Poland in particular) may have caused damage to rapeseed. Since July, harvest damage has escalated due to frequent and unusually heavy rains in Germany, France, Poland, and the United Kingdom. EU-27 rapeseed production for 2007/08 is still expected to be record high (because of a large area increase), but the lowest yield since 2003/04 reduces the crop estimate this month by 1.1 million tons to 17.2 million. The narrowing gap between supply and demand is pushing rapeseed prices toward an all-time high. Rapeseed prices in Hamburg, Germany surged 9 percent last month to a July average of \$405 per metric ton (more than one-fourth higher than a year earlier). A lower yield potential will constrain the increase in 2007/08 domestic rapeseed crushing to 17.3 million tons, while tightening EU-27 ending stocks to 1.3 million tons.

For the countries bordering the Black Sea, where sunflowerseed is the major oilseed crop, production changes this month cut the 2007 expected global sunflowerseed output by 2.4 million tons to 27.4 million. Summer in the region has brought extreme dryness and record-setting heat, leading to crop reductions for Romania and Bulgaria. In July, Bulgaria recorded its hottest month in a century. By early August, heavy rains fell over both Romania and Bulgaria, but they came too late to prevent severe crop damage. Thus, the forecast of EU-27 sunflowerseed output is down by 1 million tons to 4.7 million--the smallest crop in a decade. As a result, EU-27 crushing and exports of sunflowerseed are expected to fall and stocks decline by half to a minimally acceptable carryout.

Similarly, Ukraine's sunflowerseed production this year is expected to decline to 4 million tons, down from the July estimate of 4.4 million and a record high 2006 harvest of 5.3 million tons. July extended a months-long drought, and a prolonged heat wave only exacerbated the crop stress. A cut in Ukraine's sunflowerseed production should result in an equivalent reduction in the domestic crush to 3.8 million tons--the country's lowest processing volume in 3 years.

Although the major sunflowerseed producing areas of southern Russia have also been exceptionally hot and dry, the reduced production forecast for Russia this month is related to a downward revision of government data on sown area. Russian producers are now expected to harvest only 5.1 million hectares of sunflowers (down from 5.8 million previously)--a 3-year low. Because a mild winter minimized the damage to winter grain crops, less farmland was available in spring for reseeding with sunflowers. And by early June, the dryness was already serious enough to discourage additional planting. The lower sunflower area cuts the 2007 production forecast for Russia from 6.7 million to 5.7 million tons. Domestic crushing would be directly affected by the loss of supply and is likely to decline to 5 million tons.

Lower production of sunflowerseed oil in both Ukraine and Russia will constrict international trade. The main loss of trade for these two exporting countries will be with the EU-27, where 2007/08 imports of sunflowerseed oil are seen dropping to 1.1 million tons from 1.45 million forecast previously. Falling domestic production and imports of sunflowerseed oil are expected to cut EU-27 consumption by 400,000 tons to 3.1 million tons (compared with 3.45 million in 2006/07). A supply deficit for sunflowerseed oil may require greater use of rapeseed oil in food applications, and the amount of rapeseed oil available for biodiesel could shrink. Also, a supply shortfall of rapeseed meal and sunflowerseed meal in Europe should encourage more use of soybean meal in livestock feeds. EU-27 soybean meal consumption could expand nearly 4 percent in 2007/08 to 35.6 million tons and prompt an increase in imports to 24.2 million tons (from 23.3 million in 2006/07).

Hot and Dry Summer in Western Canada Sets an Upper Bound on the Canola Harvest

For the western prairies of Canada, a wet spring provided good crop establishment and a solid base of soil moisture going into the reproductive period. That moisture reserve acquired even more importance as growing conditions deteriorated quickly, due to the hottest July in at least 25 years. In Alberta, most of the province had July precipitation less than half of normal levels. These circumstances led USDA to lower the 2007 production estimate for Canadian canola from 9.5 million to 9 million tons. Although the average yield will be down this year, a 17-percent expansion in canola acreage will still increase output over last year's crop (8.5 million tons). Forecasts of Canada's canola exports and domestic crush were trimmed to 5.6 million and 3.5 million tons

Contacts and Links

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Data

Monthly tables from *Oil Crops Outlook* are available in Excel (.xls) spreadsheets at <http://www.ers.usda.gov/briefing/soybeansoilcrops/Data/data.htm>. These tables contain the latest data on the production, use, imports, exports, prices, and textile trade of cotton and other fibers.

Recent Reports

Economic Analysis of Base Acre and Payment Yield Designations Under the 2002 U.S. Farm Act evaluates farmers' decisions to designate base acres under the 2002 Farm Act. Findings suggest that decision makers responded to economic incentives in their designations of base acres by selecting those options that resulted in the greatest expected flow of program payments (<http://www.ers.usda.gov/publications/ERR12/>). See also *Farm Program Acres* for the county-level farm program and planted acreage data used in the report, which can be downloaded and mapped (<http://www.ers.usda.gov/data/baseacres/>).

Related Websites

WASDE, <http://usda.mannlib.cornell.edu/MannUsda/viewDocumentInfo.do?documentID=1194>
Oilseed Circular, http://www.fas.usda.gov/oilseeds_arc.asp
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Table 1--Soybeans: U.S. supply and disappearance

Year beg. Sept. 1	Area		Yield	Supply				Disappearance			Ending stocks	
	Planted	Harvested		Beginning stocks	Production	Imports	Total	Crush	Exports	Seed, feed, & residual		Total
	<i>Million acres</i>		<i>Bu/acre</i>	<i>Million bushels</i>								
2005/06	72.0	71.3	43.0	256	3,063	3	3,322	1,739	940	194	2,873	449
2006/07 ¹	75.5	74.6	42.7	449	3,188	8	3,646	1,805	1,115	171	3,091	555
2007/08 ²	64.1	63.3	41.4	555	2,619	6	3,180	1,825	975	165	2,965	215
2005/06												
September						0.2		133.2	34.1			
October						0.2		157.7	137.2			
November						0.2		151.5	141.4			
Sep-Nov				255.7	3,063.2	0.6	3,319.6	442.4	312.6	63.2	818.1	2,501.4
December						0.3		148.4	88.3			
January						0.2		152.4	107.5			
February						0.4		136.3	109.4			
Dec-Feb				2,501.4	---	0.8	2,502.2	437.2	305.2	90.6	833.0	1,669.2
March						0.4		149.5	101.8			
April						0.3		135.5	42.8			
May						0.3		146.2	39.7			
Mar-May				1,669.2	---	1.0	1,670.2	431.3	184.3	63.9	679.5	990.7
June						0.6		137.4	39.3			
July						0.2		148.5	47.4			
August						0.2		142.2	51.0			
Jun-Aug				990.7	---	1.1	991.7	428.1	137.7	(23.4)	542.4	449.3
Total						3.4	3,322.3	1,738.9	939.9	217.7	2,330.6	
2006/07												
September						0.4		142.4	64.9			
October						0.5		161.7	182.6			
November						0.6		155.1	126.4			
Sep-Nov				449.3	3,188.2	1.5	3,639.1	459.2	373.8	104.7	937.7	2,701.4
December						0.6		157.4	122.7			
January						0.5		155.3	135.1			
February						0.8		136.8	129.2			
Dec-Feb				2,701.4	---	1.9	2,703.3	449.5	387.0	80.0	916.4	1,786.9
March						0.9		155.7	85.0			
April						0.8		144.9	84.3			
May						0.8		151.9	51.4			
Mar-May				1,786.9	---	2.6	1,789.5	452.6	220.8	24.9	698.4	1,091.1
June						1.1		148.7	50.3			
July ¹						0.9		150.6	35.5			
Total to date						8.0	3,645.6	1,660.6	1,067.4		2,552.5	

¹ Estimated. ² Forecast.Sources: *Crop Production* and *Grain Stocks*, National Agricultural Statistics Service, U.S. Department of Agriculture; and *Oilseed Crushings*, Census Bureau, U.S. Department of Commerce.

Table 2--Soybean meal: U.S. supply and disappearance

Year begin. Oct. 1	Supply			Disappearance				Ending stocks
	Beginning stocks	Production	Imports	Total	Domestic	Exports	Total	
<i>1,000 short tons</i>								
2005/06	172	41,244	141	41,557	33,195	8,048	41,243	314
2006/07 ¹	314	42,771	165	43,250	34,350	8,600	42,950	300
2007/08 ²	300	43,385	165	43,850	35,300	8,250	43,550	300
2005/06								
October	171.8	3,700.9	9.3	3,882.0	2,906.6	659.2	3,565.8	316.1
November	316.1	3,562.2	10.0	3,888.4	2,908.9	674.6	3,583.5	304.9
December	304.9	3,518.0	10.8	3,833.7	2,879.4	616.2	3,495.7	338.0
January	338.0	3,589.5	10.5	3,938.0	2,849.2	762.2	3,611.4	326.6
February	326.6	3,215.3	11.0	3,552.9	2,561.4	689.8	3,251.2	301.6
March	301.6	3,504.0	12.5	3,818.1	2,859.1	672.5	3,531.6	286.5
April	286.5	3,212.6	11.4	3,510.5	2,546.3	548.8	3,095.1	415.4
May	415.4	3,474.7	13.3	3,903.5	2,966.8	633.2	3,599.9	303.5
June	303.5	3,250.9	16.4	3,570.8	2,683.8	620.8	3,304.6	266.2
July	266.2	3,507.5	11.3	3,785.0	2,651.1	767.2	3,418.4	366.6
August	366.6	3,353.9	12.7	3,733.2	2,780.7	730.5	3,511.2	222.0
September	222.0	3,354.5	11.5	3,588.0	2,601.6	672.7	3,274.3	313.8
Total		41,243.9	140.8	41,556.5	33,195.0	8,047.8	41,242.7	
2006/07								
October	313.8	3,823.2	12.8	4,149.7	3,084.4	677.0	3,761.3	388.4
November	388.4	3,671.9	13.6	4,073.9	2,858.3	842.0	3,700.4	373.6
December	373.6	3,733.0	13.7	4,120.2	2,864.1	787.2	3,651.3	468.9
January	468.9	3,693.3	13.6	4,175.8	3,049.9	753.2	3,803.1	372.7
February	372.7	3,252.6	13.4	3,638.7	2,592.8	756.3	3,349.0	289.6
March	289.6	3,712.3	15.2	4,017.1	2,771.8	916.8	3,688.6	328.5
April	328.5	3,442.9	12.6	3,783.9	2,826.2	629.2	3,455.3	328.6
May	328.6	3,623.0	13.9	3,965.5	3,022.2	664.1	3,686.3	279.2
June	279.2	3,528.2	11.2	3,818.6	2,769.8	731.8	3,501.6	317.1
July ¹	317.1	3,570.0	11.2	3,898.2	2,966.3	613.8	3,580.1	318.2
Total to date		36,050.3	131.1	36,495.2	28,805.7	7,371.3	36,177.1	

¹ Estimated. ² Forecast.

Source: *Oilseed Crushings*, Census Bureau, U.S. Department of Commerce.

Table 3--Soybean oil: U.S. supply and disappearance

Year begin. Oct. 1	Supply				Disappearance			Ending stocks
	Beginning stocks	Production	Imports	Total	Domestic	Exports	Total	
<i>Million pounds</i>								
2005/06	1,699	20,387	35	22,122	17,959	1,153	19,112	3,010
2006/07 ¹	3,010	20,435	35	23,480	19,050	1,850	20,900	2,580
2007/08 ²	2,580	20,715	40	23,335	20,300	1,300	21,600	1,735
2005/06								
October	1,699.0	1,828.6	3.1	3,530.8	1,570.9	76.3	1,647.3	1,883.5
November	1,883.5	1,756.7	2.9	3,643.2	1,637.3	154.1	1,791.4	1,851.8
December	1,851.8	1,717.3	1.9	3,571.0	1,272.8	107.8	1,380.6	2,190.5
January	2,190.5	1,765.2	3.0	3,958.8	1,454.8	71.3	1,526.2	2,432.6
February	2,432.6	1,588.2	4.0	4,024.8	1,276.6	67.0	1,343.6	2,681.2
March	2,681.2	1,746.5	4.2	4,431.9	1,601.2	178.2	1,779.4	2,652.4
April	2,652.4	1,586.3	2.3	4,241.0	1,381.5	96.8	1,478.3	2,762.7
May	2,762.7	1,710.5	2.2	4,475.4	1,534.0	53.8	1,587.9	2,887.6
June	2,887.6	1,608.7	2.3	4,498.6	1,491.1	82.0	1,573.1	2,925.5
July	2,925.5	1,737.0	3.3	4,665.8	1,456.9	89.4	1,546.3	3,119.5
August	3,119.5	1,658.3	3.7	4,781.5	1,638.4	64.7	1,703.1	3,078.3
September	3,078.3	1,684.1	2.3	4,764.7	1,643.0	111.8	1,754.9	3,009.8
Total		20,387.4	35.3	22,121.8	17,958.6	1,153.4	19,112.0	
2006/07								
October	3,009.8	1,829.5	1.0	4,840.3	1,660.9	167.1	1,828.0	3,012.3
November	3,012.3	1,725.0	1.0	4,738.3	1,536.1	120.3	1,656.3	3,081.9
December	3,081.9	1,771.0	1.3	4,854.2	1,486.9	276.7	1,763.6	3,090.6
January	3,090.6	1,746.3	2.5	4,839.4	1,482.7	174.9	1,657.6	3,181.7
February	3,181.7	1,547.2	1.1	4,730.1	1,324.2	125.2	1,449.4	3,280.7
March	3,280.7	1,764.3	1.4	5,046.3	1,603.8	81.2	1,685.0	3,361.4
April	3,361.4	1,626.5	2.0	4,989.9	1,585.7	102.7	1,688.4	3,301.5
May	3,301.5	1,728.9	3.1	5,033.5	1,601.2	121.3	1,722.5	3,311.0
June	3,311.0	1,692.5	9.7	5,013.1	1,529.4	123.5	1,652.9	3,360.2
July ¹	3,360.2	1,715.7	5.4	5,081.3	1,658.5	202.1	1,860.6	3,220.8
Total to date		17,146.9	28.4	20,185.1	15,469.3	1,495.0	15,103.7	

¹ Estimated. ² Forecast.

Sources: *Oilseed Crushings and Production, Consumption, and Stocks*, Census Bureau, U.S. Department of Commerce.

Table 4--Cottonseed: U.S. supply and disappearance

Year beg. Aug. 1	Supply				Disappearance				Ending stocks
	Beginning stocks	Production	Imports	Total	Crush	Exports	Other	Total	
<i>1,000 short tons</i>									
2005/06	592	8,172	0	8,764	3,010	523	4,630	8,163	602
2006/07 ¹	602	7,348	0	7,950	2,670	616	4,181	7,467	482
2007/08 ²	482	6,163	0	6,645	2,400	300	3,550	6,250	395

¹ Estimated. ² Forecast.

Sources: *Crop Production*, National Agricultural Statistics Service, U.S. Department of Agriculture; and *Oilseed Crushings*, Census Bureau, U.S. Department of Commerce.

Table 5--Cottonseed meal: U.S. supply and disappearance

Year beg. Oct. 1	Supply			Disappearance			Ending stocks	
	Beginning stocks	Imports	Production	Total	Domestic	Exports		Total
<i>1,000 short tons</i>								
2005/06	53	0	1,372	1,425	1,225	141	1,366	59
2006/07 ¹	59	0	1,230	1,290	1,150	90	1,240	50
2007/08 ²	50	0	1,090	1,140	1,005	85	1,090	50

¹ Estimated. ² Forecast.

Source: *Oilseed Crushings*, Census Bureau, U.S. Department of Commerce.

Table 6--Cottonseed oil: U.S. supply and disappearance

Year beg. Oct. 1	Supply			Disappearance				Ending stocks
	Beginning stocks	Imports	Production	Total	Domestic	Exports	Total	
<i>Million pounds</i>								
2005/06	76	1	951	1,028	860	67	927	101
2006/07 ¹	101	2	840	943	698	135	833	110
2007/08 ²	110	1	755	866	661	115	776	90

¹ Estimated. ² Forecast.

Sources: *Oilseed Crushings* and *Production, Consumption, and Stocks*, Census Bureau, U.S. Department of Commerce.

Table 7--Peanuts: U.S. supply and disappearance

Year beg. Aug. 1	Supply			Disappearance					Ending stocks	
	Beginning stocks	Imports	Production	Total	Domestic food	Crush	Seed & residual	Exports		Total
<i>Million pounds</i>										
2005/06	1,415	32	4,870	6,317	2,616	542	501	491	4,150	2,167
2006/07 ¹	2,167	58	3,474	5,699	2,585	513	478	603	4,179	1,520
2007/08 ²	1,520	55	3,335	4,910	2,563	474	368	525	3,930	980

¹ Estimated. ² Forecast.

Sources: *Crop Production* and *Peanut Stocks and Processors*, National Agricultural Statistics Service, U.S. Department of Agriculture and Census Bureau, U.S. Department of Commerce.

Table 8--Oilseed prices received by U.S. farmers

Marketing year	Soybeans \$/bu.	Cottonseed \$/ton	Sunflower \$/cwt.	Canola \$/cwt.	Peanuts Cents/lb.	Flaxseed \$/bu.
1997/98	6.47	121.00	11.60	11.30	28.30	5.81
1998/99	4.93	129.00	10.60	10.30	28.40	5.05
1999/00	4.63	89.00	7.53	7.82	25.40	3.79
2000/01	4.54	105.00	6.89	6.71	27.40	3.30
2001/02	4.38	90.50	9.62	8.77	23.40	4.29
2002/03	5.53	101.00	12.10	10.60	18.20	5.77
2003/04	7.34	117.00	12.10	10.60	19.30	5.88
2004/05	5.74	107.00	13.70	10.70	18.90	8.07
2005/06	5.66	96.00	12.10	9.62	17.30	5.94
2006/07 ¹	6.40	110.00	14.40	11.10	17.70	5.80
2007/08 ¹	7.35-8.35	135-165	16.65-18.25	13.7-15.3	19.7-21.3	7.50-8.50
2005/06						
September	5.77	96.00	13.20	NA	17.00	6.11
October	5.67	89.10	12.90	NA	17.40	6.05
November	5.62	95.60	12.20	NA	17.50	5.94
December	5.78	97.40	12.20	NA	17.40	5.81
January	5.87	102.00	11.40	NA	17.30	5.64
February	5.67	99.00	11.20	NA	18.60	5.59
March	5.57	NA	11.50	NA	16.90	5.31
April	5.52	NA	11.90	NA	17.40	5.56
May	5.68	NA	11.80	NA	17.30	5.59
June	5.62	NA	12.30	NA	17.00	5.40
July	5.61	NA	12.00	NA	17.00	5.47
August	5.23	93.00	12.40	NA	17.00	5.50
2006/07						
September	5.24	99.10	11.70	NA	17.30	5.46
October	5.52	97.70	12.10	NA	17.20	5.41
November	6.07	108.00	12.50	NA	17.20	5.40
December	6.18	109.00	13.60	NA	17.60	5.73
January	6.38	120.00	13.80	NA	17.80	6.07
February	6.87	125.00	14.90	NA	17.80	6.40
March	6.95	NA	15.60	NA	17.80	6.83
April	6.88	NA	15.90	NA	18.30	6.73
May	7.13	NA	16.60	NA	17.90	7.09
June	7.51	NA	17.00	NA	18.10	7.79
July	7.56	NA	18.40	14.50	18.70	8.14
August ¹	7.49	NA	18.40	15.10	18.00	8.40

¹ Preliminary. NA = Not available.

Source: *Agricultural Prices*, National Agricultural Statistics Service, U.S. Department of Agriculture.

Table 9--U.S. vegetable oil and fats prices

Marketing year	Soybean oil ²	Cottonseed oil ³	Sunflower oil ⁴	Canola oil ⁴	Peanut oil ⁵	Corn oil ⁶	Lard ⁶	Edible tallow ⁶
<i>Cents/lb.</i>								
1997/98	25.80	28.85	27.00	28.83	49.21	28.94	19.46	20.69
1998/99	19.90	27.32	20.10	22.48	40.72	25.30	14.66	15.14
1999/00	15.60	21.52	16.68	17.11	35.96	17.81	13.64	13.21
2000/01	14.15	15.98	15.89	17.56	34.97	13.54	14.61	13.43
2001/02	16.46	17.98	23.25	23.45	32.23	19.14	13.55	13.87
2002/03	22.04	37.75	33.11	29.75	46.70	28.17	18.13	17.80
2003/04	29.97	31.21	33.41	33.76	60.84	28.43	26.13	22.37
2004/05	23.01	28.01	43.71	30.78	53.63	27.86	21.80	18.48
2005/06	23.41	29.47	40.64	31.00	44.48	25.18	21.74	18.16
2006/07 ¹	31.00	35.50	57.25	40.50	52.99	31.50	28.50	27.50
2007/08 ¹	33.0-37.0	38.0-42.0	58.0-62.0	40.5-44.5	56.0-60.0	35.0-39.0	30.0-34.0	29.0-33.0
2005/06								
October	24.26	34.44	37.75	31.50	45.50	27.50	27.38	18.95
November	22.52	34.38	39.07	30.88	45.50	27.08	27.76	19.98
December	21.00	30.50	37.61	28.81	45.00	26.08	18.60	18.94
January	21.63	29.63	36.24	28.63	42.50	25.22	17.16	18.60
February	22.21	29.50	37.02	29.06	42.50	23.65	16.44	18.07
March	23.21	29.75	36.24	30.19	42.50	22.61	16.82	17.54
April	22.98	27.05	37.50	29.70	42.50	23.19	18.00	15.86
May	24.76	28.06	40.31	31.56	42.50	25.25	17.13	16.19
June	24.20	27.25	46.44	31.69	43.75	25.70	17.63	17.33
July	25.86	29.20	40.05	33.95	45.00	25.75	22.21	18.17
August	24.80	26.69	49.50	33.06	47.30	25.42	29.91	18.93
September	23.54	27.13	50.00	32.94	49.25	24.71	31.86	19.33
2006/07								
October	24.80	27.44	52.94	34.50	52.67	24.70	23.55	19.86
November	27.64	30.25	56.00	37.63	52.50	26.47	20.78	21.78
December	27.63	30.75	56.33	38.42	50.00	28.05	22.58	23.23
January	28.00	31.00	55.56	38.56	49.25	28.05	23.00	23.91
February	28.94	32.69	54.50	40.06	46.25	28.66	23.82	23.25
March	29.74	33.00	53.25	38.95	48.20	29.08	30.75	24.34
April	31.06	34.38	52.69	38.44	52.63	29.93	27.71	26.22
May	32.90	37.75	53.44	40.44	55.63	31.56	28.60	30.19
June	34.01	40.00	57.31	42.56	62.56	34.71	32.64	34.50
July	35.74	42.44	65.00	45.00	69.63	37.25	36.00	35.00
August ¹	34.87	42.15	68.80	44.25	70.00	39.61	35.77	32.85

¹ Preliminary. ² Decatur, IL. ³ PBSY Greenwood, MS. ⁴ Midwest. ⁵ Southeast mills. ⁶ Chicago.

NA= Not available.

Sources: *Monthly Feedstuff Prices* and *Peanut Report*, Agricultural Marketing Service, U.S. Department of Agriculture.

Table 10--U.S. oilseed meal prices

Marketing year	Soybean meal ²	Cottonseed meal ³	Sunflower meal ⁴	Peanut meal ⁵	Canola meal ⁶	Linseed meal ⁴
<i>\$/Short ton</i>						
1997/98	185.30	144.00	84.20	210.25	131.15	117.54
1998/99	138.50	109.55	64.20	122.02	112.28	84.49
1999/00	167.62	127.43	75.00	108.15	117.07	103.42
2000/01	173.62	142.93	90.50	119.75	139.20	121.92
2001/02	167.72	136.16	87.27	112.32	143.33	121.29
2002/03	181.58	146.12	105.00	128.35	144.06	122.91
2003/04	256.05	183.47	111.14	177.56	188.45	159.25
2004/05	182.90	124.04	85.50	118.34	139.75	115.55
2005/06	174.17	144.27	77.46	106.98	140.52	115.53
2006/07 ¹	205.00	150.00	105.00	100.00	175.00	135.00
2007/08 ¹	205-235	155-185	115-145	155-190	160-190	140-170
2005/06						
October	166.22	133.13	73.25	105.50	130.13	100.38
November	170.32	132.50	64.80	102.50	139.55	113.60
December	193.17	175.00	70.00	100.88	158.06	118.00
January	183.64	172.50	NA	NA	150.05	127.25
February	176.73	152.50	NA	114.50	143.94	130.17
March	175.07	148.75	98.00	113.50	134.74	129.00
April	174.64	144.38	90.33	113.17	136.04	126.63
May	175.77	131.50	72.60	113.33	136.59	119.10
June	176.83	135.00	66.50	107.13	139.63	116.88
July	168.97	132.50	76.50	107.50	137.83	111.50
August	159.76	134.50	79.33	100.00	143.28	101.10
September	168.87	139.00	83.33	98.75	136.38	92.75
2006/07						
October	177.71	132.40	87.00	98.50	149.77	100.75
November	190.67	131.88	98.50	98.50	166.80	118.13
December	180.63	152.50	109.00	98.00	163.17	123.33
January	190.36	161.00	114.67	98.50	173.30	134.20
February	208.81	174.75	152.50	98.50	198.37	156.38
March	205.26	185.50	132.50	NA	195.37	156.25
April	189.37	148.25	118.75	NA	169.01	149.00
May	198.66	137.00	99.80	NA	168.19	135.10
June	229.70	131.25	85.13	NA	189.11	132.00
July	222.05	137.50	83.13	NA	171.14	135.75
August ¹	217.63	144.75	74.63	NA	159.33	123.88

¹ Preliminary. ² Hi-pro Decatur, IL. ³ 41% Memphis. ⁴ 28% Minneapolis. ⁵ 50% Southeast mills.

⁶ 36% Pacific Northwest. NA= Not available. Source: Monthly Feedstuff Prices, Agricultural Marketing Service, U.S. Department of Agriculture.